

Referred to the Committee upon the Legislative Department.

Mr. Pleasants presented the following memorial of A. Schumacher, Esq., President of the Board of Trade, Baltimore city :

*To the Honorable, The President and Members of the Constitutional Convention, assembled at Annapolis, to form a Constitution for the State of Maryland :*

This memorial of the Board of Trade of the city of Baltimore, would most respectfully urge upon your Honorable Body the consideration of their view that, in the adoption of any provision in the proposed Constitution, relating to the rate of interest in this State, such rate, in cases of open accounts, or in the absence of special contract, should be fixed at seven (7) per cent.; that in all other cases the rate should be left to the adjustment of the contracting parties, and that any legislation in conflict with these principles be prohibited.

The reasons for these changes in the organic law are obvious to all business men and doubtless as well understood by your Honorable Body, as they are by your memorialists, they would crave permission, however, briefly to present some of them in this succinct form, as a justification for their appeal to you at this time.

As to the legal rate in open accounts, or in cases where there is no contract, it is respectfully submitted that the present rate of six (6) per cent. has the tendency not only to prevent foreign capital from coming to our State, but also drives a large amount of our own capital from this State, to seek investment in New York, where the legal rate is seven (7) per cent., and where lenders can thus generally obtain one per cent. more, in equal securities, than the legal rate in our State.

And as to the second proposition, they urge that it reflects the sentiment of our entire commercial community which is against such restrictions.

Usury and sumptuary laws, like bounty and colonial laws, have had their day and generation; experience has long since demonstrated their utter futility. Such laws, ostensibly intended to protect the industrial classes, only serve to oppress them, inasmuch as they are not the borrowers, but, in their savings banks, even to some extent, lenders.

The large borrowers are the railway companies, manufacturing and other corporations. The small borrower does not now get his money at six per cent., but often is obliged to buy it in his building associations (of which there are hundreds) at the highest rate which is bid for it at auction. The